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OPEN MEETING AGENDA
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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF PAYSON WATER CO., INC., AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS
WATER RATES AND CHARGES FOR
UTILITY SERVICE BASED THEREON.

DOCKET NO. W-03514A-13-0111

DOCKETED

MAY 21 2014

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IN THE MATTER OF THE APPLICATION
OF PAYSON WATER CO., INC., AN
ARIZONA CORPORATION, FOR
AUTHORITY TO: (1) ISSUE EVIDENCE
OF INDEBTEDNESS IN AN AMOUNT
NOT TO EXCEED \$1,238,000 IN
CONNECTION WITH INFRASTRUCTURE
IMPROVEMENTS TO THE UTILITY
SYSTEM; AND (2) ENCUMBER REAL
PROPERTY AND PLANT AS SECURITY
FOR SUCH INDEBTEDNESS.

DOCKET NO: W-03514A-13-0142

EXCEPTION TO STAFF'S
RECOMMENDED ORDER

Payson Water Co., Inc. ("PWC" or the "Company") submits this Exception to Staff's Recommended Order ("ROO")¹ and proposed Purchased Water Adjustor Mechanism ("PWAM") Tariff for Mesa del Caballo ("MDC"). PWC's lone exception is limited to § IV(B) of the PWAM Tariff, which provides that "[f]or any month in which [PWC] intends to bill MDC customers a PWAM Surcharge, [PWC] shall provide Commission Staff notice of [PWC's] intent to bill the PWAM Surcharge." The Company views this reporting requirement as unnecessary and excessive.

¹ PWC's exception applies to Staff's Memorandum dated May 19, 2014, and proposed order dated May 20, 2014, which filings are materially the same.

1 The need for the TOP-MDC line and the ability to pay for the water that will flow
2 through it is already well known and documented. The Commission approved the
3 financing for pipeline to bring water from the Town of Payson to customers in MDC in
4 Decision No. 74175 (October 25, 2013). The line has been built and is now part of the
5 Company's plant and daily operations. It is only due to the delay in obtaining new rates
6 that the PWAM is being separately considered at this time. But this situation should not
7 be used to create what will essentially be a monthly renewal of permission for the
8 Company to use its assets to serve customers and bill for that service. PWC is not aware
9 of this type of micromanaging of daily operations by Commission Staff in any other
10 instances. Nor does the Company need to incur the additional expense of monthly filings
11 so Staff can monitor its operations, only to be subjected to additional Commission
12 proceedings.

13 Accordingly, PWC asks that Staff's proposed PWAM Tariff be modified to
14 eliminate § IV(B) and that PWC be authorized to bill MDC customers a PWAM
15 surcharge, when conditions in MDC require water augmentation, without notice to
16 Commission Staff.

17 RESPECTFULLY SUBMITTED this 21st day of May, 2014.

18 FENNEMORE CRAIG, P.C.

19
20 By

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25 Attorneys for Payson Water Co., Inc.
26

1 **ORIGINAL** and thirteen (13) copies
2 of the foregoing were filed
3 this 21st day of May, 2014, with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 W. Washington Street
7 Phoenix, AZ 85007

8 **COPY** of the foregoing was hand-delivered
9 this 21st day of May, 2014, to:

10 Chairman Bob Stump
11 Arizona Corporation Commission
12 1200 W. Washington Street
13 Phoenix, AZ 85007

14 Commissioner Gary Pierce
15 Arizona Corporation Commission
16 1200 W. Washington Street
17 Phoenix, AZ 85007

18 Commissioner Brenda Burns
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22 Commissioner Bob Burns
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